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Wage and Hour Division (WHD)

Press Releases

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US Department of Labor recovers more than \$203,000 in overtime back wages for 224 drywall installers in Lafayette, La.

LAFAYETTE, La. -- The U.S. Department of Labor has recovered \$203,323 in back wages for 224 drywall installers at Escapade Acoustic Drywall and Lloyd N. Moreau LLC after an investigation by the department's Wage and Hour Division determined that the employees had been misclassified as independent contractors and consequently denied proper overtime compensation for all hours of their work in violation of the Fair Labor Standards Act.

"Hundreds of misclassified drywall installers were working as many as 60 hours a week but were denied the overtime pay protections guaranteed them by law," said Cynthia Watson, the Wage and Hour Division's regional administrator for the Southwest. "The department will not tolerate the exploitation of vulnerable workers. Employers like Escapade Acoustic Drywall and Lloyd N. Moreau LLC cannot avoid paying fair wages to employees by misclassifying them as independent contractors."

An investigation conducted by the Wage and Hour Division's New Orleans District Office determined that there was a joint employment relationship between Escapade Acoustic Drywall and the general contractor, Lloyd N. Moreau. Numerous interviews found that the employers improperly classified drywall installers as independent contractors, and paid these employees straight time wages rather than time and one-half their regular rates of pay for hours exceeding 40 in a workweek, as required by the FLSA.

Lafayette-based Escapade Acoustic Drywall, which installs drywall and acoustic ceiling components in residential and commercial projects, and Lloyd N. Moreau, based in Pineville, cooperated with the investigation. Both companies have agreed to pay the full amount, and to properly classify their employees and compensate them for all hours worked in the future. The back wages currently are being repaid.

The misclassification of employees as independent contractors is an alarming trend, particularly in industries such as construction that often employ low-wage, vulnerable workers and in which the Wage and Hour Division has historically found significant wage violations. The practice is a serious threat both to workers entitled to good, safe jobs, and employers who obey the law. Too often workers are deprived of overtime and minimum wages, and forced to pay taxes that their employers are legally obligated to pay. Honest employers have a difficult time competing against scofflaws. The Labor Department is committed to ensuring that workers receive the pay and benefits to which they are legally entitled, and to level the playing field for employers that play by the rules.

The FLSA requires that covered employees be paid at least the federal minimum wage of \$7.25 per hour for all hours worked, plus time and one-half their regular rates of pay, including commissions, bonuses and incentive pay, for hours worked beyond 40 per week. Employers must also maintain accurate time and payroll records.

For more information about the FLSA and other federal wage laws, call the Wage and Hour Division's toll-free helpline at 866-4US-WAGE (487-9243) or the division's New Orleans District Office at 504-589-6171. Information is also available on the Internet at <http://www.dol.gov/whd>.

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